York University
Faculty of Liberal Arts and Professional Studies
School of Administrative Studies

Course: ADMS 4502, Ethics for Investment Managers

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IMPORTANT: The lectures for this course will be conducted online via Zoom. The midterm and final exams will be written in person. ADMS 3531 is a prerequisite and you will be automatically de-enrolled if you have not completed it.

Textbooks: CFA Standards of Practice Handboook (free online from CFAI)

Investment Ethics, Sarah Peck, Wiley. ISBN: 978-0-470-43453-6 ($87.71-$116.95 York Bookstore)

Additional Reading: Students will be expected to read *The Globe and Mail Report on Business and The National/Financial Post* on a regular basis in order to discuss current events as they pertain to personal finances.

Course Description: The course is for students who are interested in pursuing careers in the investment profession. This course is based on the Standards of Practice as outlined by the CFA Institute. It goes further to discuss the fundamental principles of investment ethics in the financial services and the investment professions. The course requires students to think critically about their responsibility as it is displayed in their actions and behaviour, to clients, to their employers, to their profession, to society, and most importantly to themselves.

Course Objectives: Students will learn:

1. To understand the principles of ethics and be able to apply them.
2. To understand, interpret and apply the CFA Institute's Ethical Standards of Practice.
3. To understand the Ontario Securities Act, and the law in general as it relates to ethical behaviour.
4. To assess and analyze situations so as to judge the ethics of the situation.
5. To understand financial services providers' responsibilities to clients, to their profession, to their employer and to society.
6. To develop communication and presentation skills needed to express your position when facing an ethical dilemma.

Grading Scheme:

Class Participation	10%
Midterm Exam	40%
Final Exam	50%

Important Notes:

1. **Final Exam**

   The final exam will be a multiple-choice exam.

2. **Midterm Exam**

   The midterm exam will be a multiple-choice exam.

3. **Class Participation**

   This is an interactive class. Class discussion and participation are key.

   Each class will begin with news items from the week that deal with ethical issues in business with special emphasis on the investment industry.

4. **Course Construction**

   The course is constructed on three key points of learning:

   The first is that students learn, know, and understand the Framework of Ethical Decision Making Model as described in the course, the CFA Code of Ethics and the CFA Standards of Practice.

   The second is that students be able to apply the Framework of Ethical Decision-Making Model, The Code of Ethics, and The Standards of Practice to selected case studies and news discussions.

   The third is for students to learn the skills and the disciplines in presenting, defending and arguing their positions on ethics through class discussion, and debate, by using the Decision-Making Model, the CFA Code of Ethics and the CFA Standards of Practice.

   To manage all three key points of learning in this course the instructors will intervene or stop some discussions and debates to ensure correct understanding or interpretation of the Principles, Codes, and Standards. In addition, the instructors may limit, intervene, or stop the discussion in order to remain on topic and to allow for the completion of the course material in a timely manner for the benefit of all students.

ADMS 4502 Course Outline

Please note the order of the topics and the assignment dates may be changed during the term, depending on the progress made in class. All changes will be announced. Students need to follow the directions given at end of each class and posted on the course website.

ADMS 4502 Course Outline	Main Topic	Content	Readings and assignments. Note: Other case studies, readings and assignments may be given in addition to the ones indicated below.
Lecture #1	Introduction, The Role of Ethics in the Investment Business, The need for ethical decision making. Ethics and Regulations	Outline of course objectives and the structure for each class. Marks distribution Cases and assignments Importance of news items	CFA Standards of Practice Handbook (SPHB) • Why Ethics Matters • CFA Institute Code of Ethics and Standards of Professional Conduct Read Chapter 1 The Case for Investment Ethics SP. Be prepared to discuss Critical Thinking Questions on pg. 22 of SP
Lecture #2	CFA Code of Ethics. Framework for Ethical decision making. How to present an ethics case. Use of Terminology Ethical Treatment of Clients Fiduciary Duty	Presenting an ethical point of view	Read Chapter 2 of Investment Ethics SP Answer questions 1, and 3 on pgs. 47 and 48
Lecture #3	Professionalism Ethical Reporting of Investment Performance	Understanding the need for ethical practice in the financial services industry	Standard I. Professionalism Read Chapter 3 SP Answer questions 3 and 5 pgs. 77 and 78
Lecture #4	Integrity of Capital Markets Ethical Use of Information	Discussion of cases dealing with client's information	Standard II. Integrity of Capital Markets Read Chapter 4 of SP Answer question 3 on page 108
Lecture #5	Duty to Clients Analyst's Integrity	Need for integrity in the investment profession	Standard III. Duties to Client Read Chapter 5 of SP Answer questions 1 and 3 pg. 131

Lecture #6	Midterm Exam		
Lecture #7	Duties to Employers Investing in Companies with Ethical Accounting Practices	Ethical duties to employers and when they take precedence over other ethical obligations Incentives around earnings management, identifying irregularities, quality of earnings	CFA Standard IV. Duties to Employers Read Chapter 6 SP Answer critical thinking questions 1, 2, 5
Lecture #8	Investment Analysis: Recommendations and actions Corporate Governance	What it means to be diligent, independent and have a reasonable basis for your analysis, recommendations, and actions Recognizing and understanding good corporate governance	Standard V. Investment Analysis Recommendations and Actions Read Chapter 7 of SP Questions 2 and 3 on pg 187
Lecture #9	Conflicts of Interest Responsibilities as CFA Candidates or Members	Identifying and dealing with conflicts of interest Landscape of socially responsible investing	CFA Standard VI. Conflicts of Interest CFA Standard VII. Responsibilities as a CFA Institute Member or CFA Candidate
Lecture #10	Guest lecture - speaker to be confirmed. Ethics in capital markets, in the workplace, in fundamental analysis	We will invite a professional from the investing world to give a presentation to the class on a related or relevant topic Landscape of socially responsible investing	Read Chapter 8 of SP

Lecture #11	ESG Investing Task Force on Climate-related Financial Disclosures (TCFD) Sustainability Accounting Standards Board (SASB)	Discussions of key trends and current opportunities in ESG investing world Introduction to sustainability accounting standards Introduction to TCFD framework	Review the following websites: - Sustainability Accounting Standards Board (SASB) - Task Force on Climate-related Financial Disclosures (TCFD)
Lecture # 12	Course review		